

HOUSE BILL 969

Q5
HB 747/09 – W&M

01r2370

By: **Delegates Barkley, Bronrott, Feldman, Frick, Gaines, Gilchrist, and Kaiser**

Introduced and read first time: February 12, 2010

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Motor Fuel Tax – Adjustments**

3 FOR the purpose of altering the motor fuel tax rates for certain motor fuel; providing
4 for certain increases in the motor fuel tax rates for certain motor fuel for certain
5 periods under certain circumstances; requiring the Comptroller to make certain
6 determinations and announcements; providing for the payment of certain taxes
7 on certain tax-paid motor fuel held as of certain dates; and generally relating to
8 motor fuel tax.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – General
11 Section 9–305
12 Annotated Code of Maryland
13 (2004 Replacement Volume and 2009 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article – Tax – General**

17 9–305.

18 (A) [The] **SUBJECT TO SUBSECTION (B) OF THIS SECTION, THE** motor fuel
19 tax rate is:

20 (1) 7 cents for each gallon of aviation gasoline;

21 (2) [23.5] **24** cents for each gallon of gasoline other than aviation
22 gasoline;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (3) [24.25] **24.75** cents for each gallon of special fuel other than
2 clean-burning fuel or turbine fuel;

3 (4) 7 cents for each gallon of turbine fuel; and

4 (5) [23.5] **24** cents for each gasoline-equivalent gallon of
5 clean-burning fuel except electricity.

6 **(B) (1) IN THIS SUBSECTION, "CONSTRUCTION COST INDEX" MEANS**
7 **AN INDEX PUBLISHED MONTHLY BY THE ENGINEERING NEWS-RECORD THAT IS**
8 **A WEIGHTED AGGREGATE INDEX OF THE PRICES OF CONSTANT QUANTITIES OF**
9 **STRUCTURAL STEEL, PORTLAND CEMENT, LUMBER, AND COMMON LABOR.**

10 **(2) (I) THIS SUBSECTION APPLIES TO THE MOTOR FUEL TAX**
11 **RATE EFFECTIVE BEGINNING JULY 1, 2011.**

12 **(II) AN INCREASE IN THE MOTOR FUEL TAX RATE UNDER**
13 **THIS SUBSECTION SHALL BE EFFECTIVE FOR A PERIOD OF 1 YEAR.**

14 **(3) SUBJECT TO THE LIMITATIONS UNDER PARAGRAPH (4) OF**
15 **THIS SUBSECTION, THE MOTOR FUEL TAX RATE SPECIFIED IN SUBSECTION**
16 **(A)(2), (3), AND (5) OF THIS SECTION FOR MOTOR FUELS OTHER THAN AVIATION**
17 **GASOLINE OR TURBINE FUEL SHALL BE INCREASED EFFECTIVE JULY 1 OF EACH**
18 **YEAR BY THE AMOUNT, ROUNDED UP TO THE NEAREST ONE-TENTH OF A CENT,**
19 **THAT EQUALS THE PRODUCT OF MULTIPLYING:**

20 **(I) THE MOTOR FUEL TAX RATE IN EFFECT ON JUNE 30 OF**
21 **THE PRECEDING FISCAL YEAR; AND**

22 **(II) THE ANNUAL PERCENTAGE GROWTH IN THE**
23 **CONSTRUCTION COST INDEX AS DETERMINED BY THE COMPTROLLER UNDER**
24 **PARAGRAPH (6) OF THIS SUBSECTION.**

25 **(4) (I) FOR ANY FISCAL YEAR, THE MOTOR FUEL TAX RATES**
26 **MAY NOT BE INCREASED BY MORE THAN 1 CENT PER GALLON OVER THE RATES**
27 **IN EFFECT ON JUNE 30 OF THE PRECEDING FISCAL YEAR.**

28 **(II) IF THERE IS NO INCREASE IN THE ANNUAL PERCENTAGE**
29 **GROWTH IN THE CONSTRUCTION COST INDEX, THE MOTOR FUEL TAX RATES**
30 **SHALL BE THE TAX RATES IN EFFECT ON JUNE 30 OF THE PRECEDING FISCAL**
31 **YEAR.**

32 **(5) THE COMPTROLLER SHALL REQUIRE ANY PERSON**
33 **POSSESSING TAX-PAID MOTOR FUEL FOR SALE AT THE START OF BUSINESS ON**

1 THE DATE OF ANY INCREASE IN THE MOTOR FUEL TAX UNDER THIS SUBSECTION
2 TO COMPILE AND FILE AN INVENTORY OF THE MOTOR FUEL HELD AT THE CLOSE
3 OF BUSINESS ON THE PRECEDING DATE AND REMIT WITHIN 30 DAYS ANY
4 ADDITIONAL MOTOR FUEL TAX THAT IS DUE ON THE MOTOR FUEL.

5 (6) ON OR BEFORE APRIL 1 OF EACH YEAR, THE COMPTROLLER
6 SHALL DETERMINE AND ANNOUNCE:

7 (I) THE ANNUAL PERCENTAGE GROWTH IN THE
8 CONSTRUCTION COST INDEX BASED ON THE CHANGE IN THE INDEX REPORTED
9 FROM THE PRECEDING APRIL INDEX THROUGH THE CURRENT APRIL INDEX;
10 AND

11 (II) THE MOTOR FUEL TAX RATES EFFECTIVE JULY 1 OF THE
12 NEXT FISCAL YEAR.

13 SECTION 2. AND BE IT FURTHER ENACTED, That each person holding
14 tax-paid motor fuel for sale at the start of business on July 1, 2010, shall compile and
15 file an inventory of the motor fuel held at the close of business on June 30, 2010, and
16 remit within 30 days any additional motor fuel tax that is due on the motor fuel.

17 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 July 1, 2010.